

The Evolving Crisis in Thailand

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The Thai Political Crisis

Until five years ago Thailand was regarded as one of the world's most successful development stories. Thailand's natural abundance in rice and natural resources had been parlayed into significant industrialization. Bangkok had become a thriving and world class metropolis with a significant manufacturing capacity. The multiple insurgencies that existed in the 1970s were brought to an end during the 1980s through a sophisticated combination of rising wealth and tailored reintegration of communist operatives back into Thai society. The threat posed by the Vietnamese occupation of Cambodia had been deftly turned aside by a combination of Thai diplomacy, ASEAN action, Chinese direct and indirect intervention, U.S. diplomatic support, and the precipitous collapse of Vietnam's patron, the Soviet Union.

In the midst of rapid economic growth, Thailand in the late 1980s matured into a functioning democracy. In 1992, when the army fired on pro-democracy demonstrators, the King of Thailand intervened pushing the army off the political stage and a multiparty democracy emerged in a country where the military had dominated politics since 1932. Although the Asian financial crisis of 1997-98 was born in Bangkok, power peacefully changed hands in parliament and social peace was maintained in spite of a very sharp economic downturn. The democracy constitution of 1997 was designed to make the Thai government less corrupt as well as more honest and responsive to the people. In the elections of 2001 the Thai Rak Thai (TRT) party of cell phone billionaire Thaksin Shinawatra won a majority of seats. Thaksin had used modern political polling techniques to determine what the people really wanted, formulated a platform accordingly, and then, in his first term, delivered practically free medical care and debt relief to the villages where most Thai voters live. Thaksin became the first prime minister in the history of Thailand to serve out an entire parliamentary term. In 2005 the TRT won 61 percent of the vote nationwide in an election marked by the highest voter turnout in Thai history. Up until 2001 or 2006 Thailand's transition to economic and political modernity seemed aptly captured by the Thai Airways slogan, "Smooth as Silk."

The problem was that Thaksin held power as a democrat but governed like an autocrat. He concentrated ever more power in his own hands. His wealth grew enormously through Shin Corp that was controlled by his family. Traditional centers of wealth and power in the Sino-Thai business world became threatened by Thaksin's ever growing domination. To maintain his dominance he took control of ever larger segments of the press and television, and rendered increasingly ineffective the independent commissions designed to control corruption and vote buying. In addition, his government oversaw an anti-narcotics campaign that featured a large number of extra-judicial killings. Even the monarchy itself seemed to perceive Thaksin as capable of replacing the King himself in the affections of the poor of upcountry Thailand. To his critics Thaksin had manipulated the constitution of 1997 to produce a system without any checks and balances whatsoever and Thaksin was well on his way to becoming a 'democratic dictator.'

At the height of his power in early 2006 Thaksin committed a strategic political blunder. According to Thaksin, Shin Corporation was sold to Temasek Holdings of Singapore to put an end to the opposition's ability to charge him with conflict of interest. Cashing out garnered \$1.9 billion for the Shinawatra family and according to Thaksin's lawyers no taxes needed be paid to the government under Thai law. In the ensuing political storm Thaksin was charged with being unpatriotic for selling one of Thailand's most modern corporations to a state owned enterprise of Singapore and doubly unpatriotic for not paying any taxes.

To quell the storm Thaksin called a snap election which the opposition parties boycotted. Although TRT gained 57% of the vote, after a meeting with His Majesty the King, Thaksin agreed to step down and the Constitutional Court declared the April 2006 election invalid. These events led directly to the military coup of September 19, 2006 while Thaksin was out of the country. A new, military-sponsored constitution was approved in August 2007. Thaksin's replacement party (for the legally dissolved TRT), the People's Power Party (PPP), gained a majority of votes and a Thaksin nominee, Samak, became Prime Minister before being disqualified by the Constitutional Court for accepting honoraria from his televised cooking show. Samak was replaced as Prime Minister by Thaksin's brother-in-law, Somchai. During 2008 large numbers of Bangkok-based 'yellow shirt' demonstrators occupied first the grounds of various government buildings and subsequently Bangkok's international airport. Open street warfare occurred between the Thaksin's red-shirted followers (the United Front for Democracy against Dictatorship, UDD) and the yellow shirts of the People's Alliance for Democracy (PAD). In December 2008 the Constitutional Court dissolved the PPP, Thaksin's stand-in for the TRT, on the grounds of vote buying in the 2007 election. This reduced the number of votes necessary to form a government, and the opposition leader, Abhisit Vejjajiva, was elected prime minister in December 2008 by the parliament that had been reduced in size through the court ordered expulsion of more than 40 pro-Thaksin members of parliament.

In 2009 the 'parliament of the streets' became dominated by the red shirts. Thaksin rallied his supporters by cell phone from abroad, where he had remained to avoid serving a court imposed jail sentence for corruption. During 2009 and 2010 street demonstrators became ubiquitous. In April 2010, the Supreme Court ruled that half of Thaksin's wealth was illegally acquired and \$1.4 billion must be returned to the state. The red shirts had taken over and barricaded a wide swath of downtown Bangkok. Violence erupted from the demonstrators when the government tried to re-establish order. There were 25 deaths in April and by the time the government finally crushed the demonstrators in late May the death toll was nearly 90.

How could 'Smooth as Silk' have come to this in 'The Land of Smiles?' Economic growth and rising levels of income inequality frequently go together during the process of economic development. What has happened in Thailand may become a textbook case in the political tensions that can be generated through the mal-distribution of rapidly rising national wealth. Thailand was the world's most rapidly growing economy in the late 1980s and early 1990s. Half a century of rapid economic growth had brought a significant reduction in overall

poverty but inequality had been increasing between the top and the bottom 20% of the society. The upper 20% of households earns nearly 15 times as much as the bottom 20% of households. By this measure economic inequality is now greater in Thailand than in the Philippines or Indonesia. The second dimension of inequality in Thailand is a geographic one. Most of Thailand's wealth is concentrated in and around Bangkok while most of the votes remain up-country where poverty reduction has lagged. It is this imbalance between Bangkok (where the money is) and up-country (where the votes are) that explains the current Thai crisis. Thaksin's political genius was to deliver pro-poor policies to the up-country majority, thereby gaining a constituency that became so loyal that it no longer needed to be bribed on election day. In addition, Thaksin, the billionaire, had an ability to tell his own rags to riches story so convincingly that the up-country poor bonded with the charismatic rich man. Even when his opponents in the military controlled the government in 2006 and 2007 they were unable to out poll the Thaksin political machine. Even with Thaksin outside the country, Thaksin stalwarts bested the Bangkok-based opposition because up-country voters identified with Thaksin personally and because they may have calculated that it was smarter to vote for the Thaksin machine that had given them some concrete benefits than to vote against him because the Bangkok-based reformers said he was corrupt.

Finally, Thailand retained its independence in the 19th and 20th centuries through good fortune and the brilliant diplomacy of its reforming monarchs but it entered the mid 20th century as a very traditional and hierarchic society at whose head stands a genuinely loved monarch. King Bhumiphol, because of the stellar moral example he has set in his 46 years on the throne, has more moral authority than any single person in Thailand but he has no formal political power. Fifty years of rapid economic growth and social change now require a new social contract between political forces residing primarily outside of Bangkok and the traditional Bangkok dominance of the political and economic life of the country. The moral authority to lead this change resides with King Bhumiphol who tragically remains in frail health at the very moment of maximum danger to the political stability of his country.

A Possible Reconciliation Process

As we sit here today, Bangkok is no longer burning but smoldering tensions continue to threaten the stability of the Thai body politic. Order remains an absolute prerequisite to any form of reasonable government but order alone will not guarantee the long-term political legitimacy of any government. The process of reconciliation is the search for a set of stable democratic institutions that can simultaneously satisfy the aspirations of Bangkok for honest and legal government and the demands of up country voters for pro-poor policies and, perhaps more importantly, for a government with which they can identify. The Bangkok government has adopted most of Thaksin's pro-poor policies but the affections of the poor remain with Thaksin or some Thaksin nominee, someone who they perceive as 'one of us' rather than a traditional

pro-Bangkok prime minister. The up-country 'marginalized majority' must be convinced that the system is fair and that someone they select can remain in office rather than being ousted arbitrarily by the military or the judiciary.

To this observer of Thai politics, there are at least four requirements for resolving the crisis:

1) Judicial reform. Laws must apply equally and evenly to all political participant, not just to the red shirts but also to the yellow shirts, not just to the Thai Rak Thai but also to the Democrats and their political allies; the same standards must be applied to all or the force of law loses all legitimacy;

2) Reconstitution of civil society. The independent commissions set up under the 1997 constitution to limit corruption and voting irregularities must be strengthened and staffed with appointees from across the entire political spectrum; prime ministers, regardless of political affiliation, must respect the rights of the parliamentary minority to fair representation on these commissions.

3) Comity and leadership. The competing political elites of Thailand must develop sufficient trust in one another that they will be willing to turn over power when election cycles bring their opponents back to power. Trust cannot be restored if opposition politicians are investigated by the government and charged with being anti-monarchic or if demonstrators, even violent and illegal demonstrators, are charged with being terrorists. Somehow, some way, a new leader must mend the tattered social fabric and bridge the yawning political gap between the reds and the yellows. Trust is intangible but remains the mother's milk of democratic politics.

4) Democracy and order. The military must stay out of politics and the courts must not allow themselves to become the political weapon of either side of the Thai political divide. Free and fair elections must be held, and losers and winners alike must be willing to accept the results rather than resorting to a 'parliament of the streets' designed to topple any government that the losers do not like. Freedom to demonstrate cannot be allowed to cripple an elected government's ability to transact the people's business, and no rabble can be allowed to strangle the commerce of a capital city.

The devil is always in the details. The tough questions are:

Can leaders talk to one another, directly or indirectly to achieve a compromise?

Can the former Prime Minister return under a compromise solution that makes him part of the solution rather than an alienated leader who can ensure that the problem will never

end? Can there be genuine political stability unless and until some way is found for the former Prime Minister Thaksin to return to Thailand? Can the former Prime Minister return to private life and remain non-political? Almost certainly he needs to remain abroad until after the next election?

Can the Red Shirt leaders and the Yellow Shirt leaders be held equally responsible for their respective bouts of extra-legal street politics? Alternatively, perhaps a blanket amnesty is one way out of the situation, especially in a package with elections and public recognition for those who lost their lives on both sides of the conflicts of the last several years. Reconciliation must reintegrate the protest leaders sufficiently so that they can run for office and perhaps contend with one another verbally in parliament rather than in the streets.

Perhaps the current government might transform itself into a coalition government containing representation of both sides of the Thai political divide? A coalition government supervising future elections will increase the legitimacy with which the elections would be viewed by all parties.

U.S. Policy

The scenes of violence witnessed during the last month have been particularly painful to watch because Thailand is a longtime, respected mutual security ally of the United States. Since the end of the Second World War, Thailand and the U.S. have placed blood and money on the line for one another. Thai troops fought alongside Americans in Korea and Vietnam. More recently Thai troops served in Iraq and Afghanistan, and Thailand has been designated as a Major Non-NATO Ally of the United States. The security relationship has matured from one of dependence on the US in the 1950s and 1960s to one of increasing independence in the new century. Thailand buys American and non-American weapons, and neither the Thai military nor the Thai diplomatic corps takes (or should take) dictation from Washington. The surest way to lose all influence in Thailand is for the United States government to attempt to dictate an outcome to the current political crisis. Thais have remained independent by jealously guarding their national sovereignty and prerogative and will continue to do so during the current political crisis. The United States can give counsel but cannot give orders.

Above all do no harm. No one I know, in either Washington or Bangkok, knows enough about the Thai political situation to ensure that things we say and do will not make the situation worse. The U.S. should not try to pick winners by siding for or against Thaksin or the current Government of Thailand. Only Thais can work out the complex set of compromises necessary to resolve the crisis that began with the election of 2001. Long term stability in Thailand depends on finding a way to accommodate the forces that Thaksin roused in the Thai polity, but only Thais can possibly find the series of pragmatic compromises necessary to channel the new forces back into parliament where their concerns can be addressed in a legitimate and orderly manner.

The U.S. cannot ignore unpleasant realities. A military coup did oust an elected government in 2006. Subsequent elections persistently indicated that a majority of Thais wanted power returned to the group of political leaders that the military had ousted. Corruption abounded before and after the Thaksin period; for anti corruption regulations to become legitimate, these rules must be applied uniformly to all. There has been too much economic growth and too many people have become educated to a return to non-democratic rule in Thailand. Elections and uniformly applied laws remain critical to reestablishing trust and legitimacy. There can be no democracy without order in the streets but there also can be no sustainable order in modern Thailand without genuine majority rule. The current government, through emergency rule and the use of force, has cleared the streets but the United States should continue to express its concern in private, and perhaps even in public, that the legitimacy of the current government can only be established through a free and fair election open to all parties and personalities. The series of compromises necessary to make this a reality cannot be accomplished in a day or a week but the overall goal must be a return to political normalcy among all of the currently contentious forces in Thai politics.